

UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF NEW YORK

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In re:

Index No. 19-10915 (MG)

H.T.O. ARCHITECT, PLLC,

Chapter 11

Debtor.

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**STIPULATION AND ORDER BY AND BETWEEN THE DEBTOR AND SECURED
PARTY: (1) AUTHORIZING THE DEBTOR TO USE CASH COLLATERAL;
AND (2) GRANTING ADEQUATE PROTECTION TO THE SECURED PARTY**

WHEREAS, on March 28, 2019, HTO Architect, PLLC (the “Debtor”), the above-referenced debtor and debtor-in-possession, by and through its proposed counsel, Macco & Stern, LLP, filed a petition for relief under title 11 of chapter 11 of the United States Code (the “Bankruptcy Code”); and

WHEREAS, Debtor continues to operate as a debtor-in-possession under Bankruptcy Code §§1108 and 1109, and, to date, the Office of the United States Trustee (the “UST”) has not appointed a chapter 11 trustee or examiner, and has not formed an official committee of unsecured creditors; and

WHEREAS, by emergency motion (the “Motion”)¹, dated March 29, 2019, the Debtor moved the court for an order: (1) authorizing the Debtor to use the Accounts Receivable as Cash Collateral; and (2) granting adequate protection to Advantage Capital Funding (the “Secured Party”); and

WHEREAS, by order to show cause (the “OSC”), dated April 1, 2019, the Court established notice requirements for the Motion and scheduled a preliminary hearing on the

¹ All capitalized terms used herein but not defined shall have the meaning ascribed in the Motion.

Motion for April 3, 2019 (the “Preliminary Hearing”), and established a deadline to file objections to the Motion of April 2, 2019 (the “Objection Deadline”); and

WHEREAS, the Debtor served the OSC and Motion, with all exhibits, in compliance with the terms of the OSC upon the Secured Party, the UST, and all general unsecured creditors, as evidenced by the affidavit of service on file with the Court; and

WHEREAS, the Debtor and the Secured Party, by and through their attorneys, engaged in informal discussions regarding the Motion, the Accounts Receivable, and the Cash Collateral; and

WHEREAS, a limited objection to the Motion was filed by the Landlord prior to the Objection Deadline; and

WHEREAS, the Court has jurisdiction over the matter pursuant to 28 U.S.C. §157(b); and

WHEREAS, the Debtor has demonstrated that immediate and irreparable harm may occur to the Debtor and its estate if interim relief is not granted;

NOW, THEREFORE, it is hereby stipulated and agreed by and between the Debtor and Secured Party as follows:

1. Debtor is authorized to use Accounts Receivable as Cash Collateral, on an interim basis, in the amounts and for the purpose set forth on the Budget, annexed hereto as **Exhibit A**, until such time as the Court holds the Final Hearing.

2. Until such time as the Court holds the Final Hearing, the Secured Party is granted adequate protection in the form of periodic cash payments of one-thousand and 00/100 (\$1,000.00) dollars per week.

3. Until such time as the Court holds the Final Hearing, the Secured Party shall rescind any and all letters sent to the Debtor's clients and advise the Debtor's clients to pay the Debtor directly.

4. Nothing contained herein shall be a waiver of any of either the Debtor's or the Secured Party's rights, as applicable, that may exist under the Bankruptcy Code or any applicable state or federal non-bankruptcy law.

5. All parties shall bear their own attorney's fees and costs associated with the Motion and this Stipulation.

6. The portion of the Motion that requests a final order on the Motion shall be adjourned until **April 29, 2019 at 3:00 p.m.**, with the Final Hearing to be held before the Honorable Martin Glenn, United States Bankruptcy Judge for the Southern District of New York, One Bowling Green, New York, New York 10013.

7. This Stipulation may be executed in one or more counterparts, and facsimile and other electronic signatures shall be deemed an original signature.

8. The person executing this Stipulation on behalf of each respective party warrants and represents that he or she is authorized and empowered to execute and deliver this Stipulation on behalf of such party.

9. This Stipulation may not be altered, modified, or changed, unless in writing, signed by the parties to this Stipulation or their counsel.

10. This Stipulation shall be deemed to have been drafted by all parties hereto to remove any negative inference against the drafter hereof.

11. The Bankruptcy Court shall retain exclusive jurisdiction over the subject matter of this Stipulation, including, but not limited to, its enforcement and the implementation of its terms and conditions.

12. This Stipulation shall be governed by the laws of the State of New York, except with respect to matters as to which federal law, including the Bankruptcy Code, is applicable, without any regard to conflicts of law principles.

Dated: April 5, 2019
Islandia, New York

MACCO & STERN, LLP
Attorneys for the Debtor-In-Possession

By: s/ Cooper J Macco
Michael J. Macco
Cooper J Macco
2950 Express Drive South, Suite 109
Islandia, New York 11749
(631) 549-7900

Dated: April 5, 2019
New York, New York

THOMSON OLLUNGA LLP
Attorneys for the Secured Party

By: s/ Samuel Ollunga
Samuel Ollunga
747 Third Avenue, 2nd Floor
New York, New York 10017
(212) 335-0751

Date: April 8, 2019
New York, New York

/S/ Shelley C. Chapman
Honorable Shelley C. Chapman
United States Bankruptcy Judge

H.T.O. ARCHITECT OFFICE BUDGET		
		Total Expense per Month
Computer Expense:		
	Adobe	\$54.43
	Ebility	\$100.00
	Inbox Solutions	\$292.00
	Intuit	\$45.73
	NFS / Dell Leasing	\$1,247.58
	Logmein.com	\$49.00
	Norton (Firewall Software)	\$15.00
	Payroll	\$9.99
	Drop Box	\$44.95
	Email Blast	\$840.00
	BIM Autodesk	\$3,400.00
	Pagea	\$45.00
Total:		\$6,143.68
Telephone Expense:		
	AT&T	\$548.52
	Verizon	\$1,000.00
Total:		\$1,548.52
Utilities Expense:		
	D&W	\$895.00
	Skywater	\$384.24
Total:		\$1,279.24
Rent Expense:		
	Jeffrey Management Crop	\$19,344.84
Total:		\$19,344.84
Supplies Expense:		
	Stationary supplies	\$500.00
	Printing	\$1,200.00
	Furniture	\$375.00
Total:		\$2,075.00
Postage & Delivery Expenses:		
	City Expeditor	\$895.00
	FedEx	\$384.24
Total:		\$1,279.24
Repair & Maintenance:		
	Signature Cleaning	\$888.00
	I.T Service ED	\$2,000.00
	NSCC	\$1,500.00
	Furniture	\$3,000.00
Total:		\$7,388.00

Transportation Expense:		
	2075-Office Auto	\$2,200.00
	Leslie (Driver)	\$4,800.00
	E-Zpass	\$600.00
	Car Insurance	\$1,000.00
	Gas / Maintenance	\$500.00
Total:		\$9,100.00
Insurance Expense:		
	IPFS	\$4,254.55
	Oxford	\$12,000.00
	Guardian	\$2,200.00
	The Hartford	\$1,500.00
Total:		\$19,954.55
Tax Expense:		
	UBT Tax (4%)	\$2,000.00
Total:		\$2,000.00
Dues & Subscription:		
	NCARB	\$500.00
	AIA	\$700.00
	Rebny Real Estate	\$100.00
Total:		\$1,300.00
Office Expenses		
	Miscellaneous Office Expenses	\$1,000.00
Total:		\$1,000.00
Payroll Expense		
	Salary	\$54,665.00
	Officer Draw	\$34,666.00
Total:		\$89,331.00
TOTAL EXPENSES:		\$161,744.07